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June 16, 2008

The Hon. Theodore H. Katz
United States District Court
Southern District of New York
500 Pearl Street
New York, NY 10007-1312

Re: Civil Action No. 1:07CV11065(JFK)(THK)
U.S. District Court, Southern District of New York
Salvador Diaz v. Diversified Collection Services, Inc.

Dear Magistrate Judge Katz:

I represent the defendant in the above action.

In lieu of the status report called for by Your Honor's letter of April 7, 2008, I am writing to report that counsel has negotiated a settlement of the above matter and that we are undertaking preparation of the necessary settlement documents. We expect to be able to file a stipulation for dismissal of the matter within the next two to three weeks.

Respectfully,



Jonathan D. Elliot

JDE/dbr

cc: Abraham Kleinman, Esq.